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Federal Communications Commission  
Office of the Secretary

DAVID L. NACE  
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(703) 584-8661

February 23, 2005

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FEB 23 2005

Federal Communication Commission  
Bureau / Office

Federal Communications Commission  
Wireline Competition Bureau  
Washington, D.C. 20554

Attn. William Dever, Wireline Competition Bureau

Re: Application for Domestic Section 214 Authority for  
Northwest Communications Cooperative (FRN:  
0002477693) to Acquire the Assets of Noonan Farmers  
Telephone Company (FRN: 0004382958)

Dear Mr. Dever:

Transmitted herewith for association with the above-referenced application is a copy of an Order issued by the North Dakota Public Service Commission, dated February 22, 2005, granting approval of the proposed transaction.

Very truly yours,



David L. Nace

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**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Northwest Communications Cooperative, a  
Cooperative Association  
Local Exchange  
Public Convenience and Necessity**

**Case No. PU-04-565**

**Northwest Communications Cooperative, a  
Cooperative Association  
Designated Eligible Carrier  
Application**

**Case No. PU-04-635**

**ORDER**

**February 22, 2005**

On October 27, 2004, Northwest Communications Cooperative (NCC) of Ray, North Dakota filed an application for certificate of public convenience and necessity to provide facilities-based incumbent local exchange telecommunications services in the exchange of Noonan, North Dakota (Case No. PU-04-565). This exchange is currently served by Noonan Farmers Telephone Company (NFTC).

On November 29, 2004, NCC amended its application to request designation as an Eligible Telecommunications Carrier (ETC) for receiving federal universal service funding within the Noonan Exchange (Case No. PU-04-635).

NCC reports entering into an agreement to purchase facilities and assets of NFTC relating to the provision of local exchange telecommunications services, including exchange access and other telecommunications services, in the Noonan Exchange. As of the closing date of the transaction, NFTC would cease and NCC would commence providing incumbent local exchange services in the Noonan exchange.

On December 8, 2004 NFTC filed a Joinder in NCC's application. NFTC requested that the current certificate of public convenience and necessity issued to NFTC be relinquished to the Commission and that NFTC's designation as an eligible telecommunications carrier also be relinquished.

On December 15, 2004, the Commission issued a Notice of Opportunity for Hearing that provided until January 21, 2005 for receiving comments or hearing requests. No comments or requests for hearing have been received. In accordance with North Dakota Century Code chapter 49-03.1 and North Dakota Administrative Code section 69-09-05-11(3), the Commission's notice identified the following issues to be considered in this matter:

1. Fitness and ability of the applicant to provide service.
2. Adequacy of the proposed service.
3. The technical, financial and managerial ability of the applicant to provide service.

4. Qualification of the applicant under the Telecommunications Act of 1996, Section 214(e) for designation as an ETC eligible to receive federal universal service funding.
5. What ETC universal service support area should be designated.
6. Whether NFTC's current certificate of public convenience and necessity should be relinquished to the Commission.
7. Whether upon designation of NCC as an eligible telecommunications carrier for the Noonan exchange, NFTC's designation as an eligible telecommunications carrier should also be relinquished.

On January 19, 2005, the Public Service Commission's Director of Accounting filed a memorandum indicating that NCC has the financial ability to provide service.

On February 9, 2005, the Commission discussed the issues in this matter with the applicant and Commission staff at an informal hearing.

NCC, formerly known as Northwest Mutual Aid Telephone Company, has been a provider of incumbent telecommunications service within this State since 1952. NCC is currently providing incumbent telecommunications services to approximately 5,200 access lines in Williams, Divide, Burke, Ward, and Mountrail counties in North Dakota. NCC's service area nearly surrounds the Noonan exchange.

The Noonan exchange has been served by NFTC and its predecessors since 1916. As of December 31, 2003, NFTC provided service to 247 access lines. The sale of the Noonan exchange to NCC was first unanimously approved by the board of directors of NFTC, then approved by the NFTC members by a vote of 64 to 2 at the annual meeting of members and, finally, under NFTC Bylaws, approved by a vote of 175 to 3 by mail ballot election.

Under the purchase agreement between NCC and NFTC all subscribers served by NFTC in the Noonan exchange will become full cooperative members of NCC earning capital credits starting on the closing date of the transaction. They will be eligible to vote on all matters coming before the members and will be eligible to seek election to the NCC Board of Directors. As NCC members, the former NFTC members will receive extended area service with all NCC exchanges and the Portal exchange at no extra charge. They will also be eligible to receive expanded services in the form of a 52-channel CATV system, DSL Internet services, voice mail and other calling features.

It is NCC's intention to immediately upgrade the NFTC switching capabilities and become compliant with all Communications Assistance for Law Enforcement Act of 1994 (CALEA), and Local Number Portability (LNP) requirements. In the past, NFTC has been unable to comply with CALEA and LNP requirements because of its small size and the excessive cost.

To be designated as an eligible telecommunications carrier, a carrier must: (1) offer the services that are supported by federal universal service support mechanisms, and offer the services designated by the FCC for such federal support mechanisms for schools, libraries, and health care providers; and (2) advertise the availability of such services and the charges therefore using media of general distribution.

For telecommunications customers, the services designated by the FCC for support by universal service support mechanisms include voice grade access to the public switched

network, local usage, dual tone multi-frequency signaling or its functional equivalent, single-party service or its functional equivalent, access to emergency services, access to operator services, access to interexchange service, access to directory assistance and toll limitation for qualifying low-income consumers.

For schools and libraries, the service designated by the FCC for support by universal support mechanisms include all items listed on the Eligible Services List of the Schools and Libraries Support Mechanism of the Universal Service Administrative Company dated October 18, 2002. For health care providers, the services supported by universal service support mechanisms include any telecommunications service that is used primarily for the provision of health care.

NCC affirms that it will offer all services that are supported by the federal universal support mechanisms and will advertise the availability of and charges for those services using media of general distribution throughout the Noonan exchange.

NCC affirms that its Lifeline and Link Up offerings in the Noonan exchange will continue to meet the requirements established by the FCC and the North Dakota Lifeline Plan and Link Up Plan.

The Commission finds NCC is qualified under Section 214 (e) of the Communications Act of 1934 as amended by the Telecommunications Act of 1996, for designation as an ETC eligible to receive federal universal service funding for the Noonan exchange.

The Commission finds NCC is fit, able, and has the technical, financial and managerial ability to provide service.

The Commission finds that NCC's proposed service is adequate.

#### Order

##### The Commission Orders:

1. The application of Northwest Communications Cooperative for a certificate of public convenience and necessity to provide incumbent local exchange telecommunications services in the Noonan exchange area is approved, effective with the date that the asset acquisition transaction is complete. A certificate of public convenience and necessity will be issued upon notification by the applicants that the transaction is complete.
2. Northwest Communications Cooperative's application to expand its designated eligible carrier status is granted and NCC is designated as an eligible telecommunications carrier in the Noonan exchange area effective with the issuance of a certificate of public convenience and necessity and receipt of any required Part 36 study area waivers from the FCC.
3. Noonan Farmers Telephone Company's certificates of public convenience and necessity for the Noonan exchange shall be relinquished and cancelled effective with the issuance to NCC of a new certificate of public convenience and necessity for the Noonan exchange.

4. Noonan Farmers Telephone Company of North Dakota will no longer be designated as an ETC for the Noonan exchange effective upon NFTC's relinquishing its certificate of public convenience and necessity for the Noonan exchange.

**PUBLIC SERVICE COMMISSION**

		
Susan E. Wefald Commissioner	Tony Clark President	Kevin Cramer Commissioner